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COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES 2176 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6100

September 7, 2022

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The Honorable Robert C. "Bobby" Scott Chairman Committee on Education and Labor 2176 Rayburn House Office Building Washington D.C. 20515

Dear Chairman Scott,

As we have previously noted, this Committee is required to conduct rigorous oversight of the Department of Education (Department). In fact, you spent a significant amount of time in the 116th Congress conducting "oversight" of the Department under the leadership of Secretary DeVos and President Trump. We hoped you would continue that record of vigorous oversight. Unfortunately, your support of the administration's announcement to enact illegal so-called "loan forgiveness" demonstrates that you are not willing to hold the Secretary accountable for his abuse of authority. Further, your approval of the Secretary's dereliction of duty in continuing the pause on student loan repayments demonstrates your unwillingness, thus far, to provide adequate oversight of the Department.¹

Because of these actions, in addition to the multitude of other actions the administration has taken,² it is critical we bring Federal Student Aid Chief Operating Officer Richard Cordray, General Counsel Lisa Brown, and Undersecretary James Kvaal up for a hearing to discuss the authority for these actions, their plans to implement these actions, and any plans they have to finally end the student loan moratorium and return to regular operation. These actions are too significant to allow the Secretary to act without Congressional approval.

¹ <u>https://edlabor.house.gov/media/press-releases/chairman-scott-statement-on-biden-student-loan-announcement</u>

².; https://www.ed.gov/news/press-releases/biden-harris-administration-extends-student-loan-pause-through-august-31

The recent announcement of a massive transfer of potentially \$1 trillion in debt from the 13 percent of Americans with student loan debt to the 87 percent who do not have debt is the administration's most egregious action to date. Taking over \$2,500 from each hardworking taxpayer,³ many of whom did not attend college, to write off debt willingly and knowingly taken by college going adults is unfair and unjust. This is not a harmless policy; this is a deliberate decision to appease a small but loud special interest group at the expense of the people who work hard to keep this nation strong. It is time to shed the party loyalty and stand up for all the citizens in this nation. This must begin with Congressional oversight over dubious executive actions. Speaker Pelosi was correct when she said, "People think that the President of the United States has the power for debt forgiveness. He does not. He can postpone, he can delay, but he does not have that power." This Committee should ensure the administration is following the law.

We have sent several letters to Secretary Cardona asking about these actions but have received paltry responses, similar to the responses he provided to this Committee and others when he testified. The American people deserve clear, concrete answers.

Thus far communication with the American people has been far from clear. The Secretary noted the Department was "ready to roll" once the announcement was made.⁵ That is manifestly untrue: there was no information on how or when the process for forgiveness or the new income repayment plan will happen.

This student loan debt scheme is not a legal or responsible policy, and the chaos the administration has created is unacceptable. That is why this hearing must have a second panel with the federal contractors charged with actually implementing these policies. This Committee needs to understand what information the Department is giving these contractors, what the Department has instructed them to tell borrowers, and how much the Department is listening to their feedback regarding what they need to ensure borrowers are not harmed in this student loan bedlam.

Chairman Scott, we have our policy disagreements, but we have generally agreed on the need for strong oversight. We certainly hope when the executive branch walks so far outside of its lane, we can come together in Congress and demand accountability.

³ https://www.ntu.org/foundation/detail/cost-of-student-debt-cancelation-could-average-2000-per-taxpayer

 $^{^4\} https://www.forbes.com/sites/adamminsky/2021/07/28/pelosi-president-biden-does-not-have-power-to-cancel-student-loan-debt/?sh=134023625504$

⁵ https://republicans-edlabor.house.gov/uploadedfiles/6.8.22_cardona_letter.pdf

Thank you for your attention to this matter. We hope we will have this important oversight hearing as soon as we reconvene in September.

Sincerely,

Virginia Forço

Virginia Foxx Ranking Member

U.S. House Committee on Education and Labor

Joe Wilson Member of Congress

TwieWalberg

Joz Wilson

Glenn Thompson Member of Congress

Dlem Grothmun

Glenn Grothman Member of Congress

Rick Allen

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Member of Congress

James Comer Member of Congress

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Fred Keller Member of Congress

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